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BEFORE THE
RESEARCH AND SPECIAL PROGRAMS ADMINISTRATION
UNITED STATES DEPARTMENT OF TRANSPORTATION
WASHINGTON, D.C.

Request for Comments on the Proposed Rulemaking:	)	**Docket No. RSPA-99-6355 - 34** **Notice 3**
Pipeline Integrity Management In High Consequence Areas, 49 CFR 195	)	

THE AMERICAN GAS ASSOCIATION COMMENTS ON THE NOTICE OF PROPOSED RULEMAKING

The American Gas Association (AGA) appreciates the opportunity to submit comments on the above captioned notice of proposed rulemaking. AGA represents 189 local natural gas utilities that serve customers in all 50 states. AGA members deliver natural gas to more than 93 percent of the 60 million homes and businesses throughout the United States that use gas.

AGA and its member companies are not directly impacted by the proposed rule that was published in 65 Fed. Reg. 21695, April 24, 2000. The rule applies to operators of hazardous liquid pipelines that are regulated by the Department of Transportation under 49 CFR Part 195. AGA is submitting comments because it is concerned about the manner in which the Research and Special Program Administration (RSPA) has interpreted provisions under 49 U.S.C. 60102 of the Accountable Pipeline Safety and Partnership Act of 1996. AGA also desires to distinguish natural gas pipelines from hazardous liquid pipelines. The repeated references in the preamble to "pipeline industry" are of concern because natural gas pipelines and liquid pipelines are in separate and distinct industries. Finally, we urge RSPA to conduct a full cost-benefit analysis on this proposed rule and any future rule that addresses pipeline integrity issues.

STATUTORY REQUIREMENTS

AGA believes the preamble in the proposed rule inappropriately interprets the provisions of 49 U.S.C. 60102(f)(2) as if there is a Congressional mandate to prescribe periodic inspection of pipelines identified under 49 U.S.C. 60109, and when instrumented internal devices should be used to inspect pipelines. In actuality the statute acknowledges that it may not be necessary to have additional standards for some pipelines and that there are situations where instrumented internal inspection devices are not required.

> "...the Secretary shall prescribe, if necessary, additional standards requiring the periodic inspection of each pipeline the operator of the

> pipeline identifies under section 60109 of this title. The standards shall include any circumstances under which an inspection shall be conducted with an instrumented internal inspection device and, if the device is not required, use of an inspection method that is at least as effective as using the device in providing for safety of the pipeline."

It is clear on the face of the statute that Congress did not mandate the periodic internal inspection of all pipelines under section 60109. The statute acknowledges that internal inspection devices are not always required and that there are equally effective alternative methods to inspect pipelines. AGA is concerned that this proposed rule mandates inspection technologies in a manner inconsistent with the intent of Congress.

AGA believes that periodic inspection is and should be a part of every operator's operation and maintenance plan. However, not all pipelines must be inspected in the same manner. For example, some pipelines operate at pressures so low that periodic internal inspection is unwarranted and impractical.

NATURAL GAS INTRASTATE TRANSMISSION PIPELINES

AGA is not providing substantive comments to technical issues in the proposed rule on liquid pipelines. Pipelines transporting liquids are completely different from the lines that our members operate. Furthermore, the operators of liquid pipelines know best how to address safety and environmental issues for their pipelines.

Natural gas is a compressible fluid, while the liquids regulated under Part 195 are incompressible fluids or gases that are in the liquid phase at normal operating pressures. Pipeline quality natural gas is essentially free of moisture that could cause internal corrosion, while water is a significant component in crude oil and other liquid pipeline products. Liquid pipelines are designed to be pigged because internal devices are used to separate the different grades of crude oil or other fluids that enter liquid lines. The liquids also contain sediments that necessitate periodic cleaning. Natural gas pipelines usually do not require cleaning and frequently have valves and other appendages that prevent the passage of internal inspection devices.

Most importantly, the natural gas regulations in 49 CFR 192 already have extensive pipeline integrity provisions that meet or exceed the provisions in this notice of proposed rule making for liquid pipelines.

When the Department of Transportation codified natural gas industry consensus standards as 49 CFR 192, it included risk-based pipeline integrity standards as part of the natural gas industry code. Section 192.5 is a population density based pipeline integrity requirement that exceeds the analysis provided in the proposed rule. Rather than use generalized U.S. Census Bureau population statistics, natural gas operators continually count the number of homes that could be impacted by the pipeline and upgrade the pipe for increased protection as appropriate.

Sections 192.103 to 192.115 provide risk-based design requirements that increase the wall thickness of pipe to provide added protection. The extra steel pipe wall thickness provides, among other benefits, increased protection from outside force mechanical damages and metal loss due to corrosion.

Natural gas pipeline operators already provide graduated pressure testing for new pipe based upon the population density under 49 CFR 192 subpart J. These pressure tests meet or exceed the requirements of the proposed rulemaking.

When the Office of Pipeline Safety begins to evaluate whether the natural gas pipeline industry needs additional pipeline integrity standards, it should first attempt to quantify existing risk-based integrity protections that are already incorporated into 49 CFR 192. The industry has already adopted a baseline pipeline integrity standard for rural areas and increases the pipeline integrity design and testing requirements as the population density increases. After quantifying the existing integrity program, OPS can determine whether additional standards are required.

COST-BENEFIT ANALYSIS

The proposed rule does not consider this action to be a significant action under section 3(f) of Executive Order 12866. AGA is not involved in the liquid pipeline industry and therefore can not adequately assess the costs that will be incurred from the proposed regulation. We do note however, that the Office of Pipeline Safety Framework for a Cost Benefit Analysis was not used in the development of this proposed rule. OPS did an excellent job in developing the Cost Benefit Framework which documents how agencies and regulated entities should work together to analyze the true problem, document the existing industry baseline, evaluate regulatory alternatives, and attempt to quantify the costs and benefits. We urge OPS to use this analysis in exploring the feasibility and benefit of any new standards.

In conclusion, it is our hope that when RSPA analyzes potential pipeline integrity standards for the natural gas industry, it will document the regulatory baseline that is used for rural areas, quantify the pipeline integrity standards that industry has put in place to increase protection in more densely populated areas and then decide if any additional standards are needed.

We appreciate the opportunity to comment on the notice of proposed rulemaking, and look forward to working with you on any future integrity rulemaking affecting natural gas intrastate transmission pipelines.

Sincerely,

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